

INTERNAL REVENUE SERVICE
District Director

Department of the Treasury

[REDACTED]

Date: May 6, 1994

[REDACTED]

Person to Contact:

Telephone Number:

[REDACTED]

Dear Applicant:

This is in response to your application for exemption from Federal income tax as an organization described in Internal Revenue Code section 501(c)(4).

Your organization does not qualify under Internal Revenue Code section 501(c)(4).

Revenue Ruling 74-99, 1974-1 C.B. 131 held that in order for a homeowner's association to qualify for exemption under section 501(c)(4):

a. It must serve a "community" that bears a reasonably recognizable relationship to an area ordinarily identified as governmental;

b. it must not conduct activities directed to the exterior maintenance of private residences; and,

c. the common areas or facilities it owns and maintains must be for the use and enjoyment of the general public.

Insofar as your organization conducts activities directed to the exterior maintenance of private residences and the common areas are not for the use and enjoyment of the general public, you do not qualify for exemption under section 501(c)(4) of the Internal Revenue Code.

However, you can seek coverage under Internal Revenue Code section 528. This section provides that the exempt function income (usually dues) will not be taxed under certain circumstances. You elect coverage by filing an annual return, Form 1120-H, with your respective service center.

If you are in agreement with this letter, please sign and return the enclosed form 6012 within 21 days from the date of this letter. If you are not in agreement, please respond within 21 days citing law, facts and rationale to support your position.

If you have any questions, please feel free to contact me at

[REDACTED]
[REDACTED]
Exempt Organization Specialist